

TITLE III-CENTRAL INTELLIGENCE AGENCY

PENSION SYSTEM

ESTABLISHMENT

Sec. 301. (a) There is hereby established Central Intelligence Agency Pension System

"(b) Except as otherwise specifically provided in this title or any other provision of law, all participants in the Central Intelligence Agency Pension System shall be subject to the provisions of Chapter 84 of title 5, United States Code and shall be treated in all respects as persons whose participation in the Civil Service Supplemental Retirement System provided in that chapter is required by sections 8401 and 8402 of such title.

DEFINITIONS

Sec. 302. As used in this title, unless otherwise specified-

"(1) the term "annuity" means the annuity which is described in subchapter II of chapter 84 of title 5, United States Code, and is payable to a Pension System participant;

"(2) the term "dynamic assumptions" has the same meaning as provided in section 8401(9) of title 5, United States Code.

"(3) the term "Fund" means the Central Intelligence Agency Retirement and Disability Fund maintained by the Director pursuant to Section 202;

"(4) the term "normal cost" means the entry age normal cost of the provisions of the System which relate to the Fund, computed by the Director in accordance with generally accepted actuarial practice and standards (using dynamic assumptions) and expressed as a level percentage of aggregate basic pay, and shall be used to value the cost of the System for all purposes for which the cost of the System is required to be determined.

"(5) the term "Pension System participant" means a person who participates in the Central Intelligence Agency Pension System.

"(6) the term "supplemental liability" means the estimated excess of--

(A) the actuarial present value of all future benefits payable from the Fund under this title, over

(B) the sum of--

(i) the actuarial present value of the future contributions to be made on behalf of participants pursuant to section _____

(b)(2)(A) of this Act, and

(6) the balance in the Fund attributable to the System on the date the supplemental liability is determined or to contributions under section 204(b) or 205 of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 (97 Stat 1106; 5 U.S.C. 8331 note); and

"(7) the term "System" means the Central Intelligence Agency Pension System.

"PENSION SYSTEM PARTICIPANTS

"Sec. 303. (a) Except for persons excluded by subsection (b,) all officers and employees of the agency, any of whose service after December 31, 1983, is employment for the purpose of title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954 shall be Pension System participants.

"(b) Participants in the Central Intelligence Agency Retirement and Disability System who were participants in such system on or before December 31, 1983 and who have not had a break in service in excess of 1 year since that date, are not made Pension System participants by this section, without regard to whether they are subject to title II of the Social Security Act.

"(c) Notwithstanding the provisions of section 8469 of title 5, United States Code, the Director shall not be required to enter into any agreement(s) with any State(s) pertaining to withholding of State income tax from monthly annuities, which, in the sole discretion and judgment of the Director, would be detrimental to the security or cover of Agency functions or personnel. The Director is authorized to prescribe such rules and require such agreements concerning State income tax withholding from annuities as may be necessary or appropriate to protect such security and/or cover.

"SPECIAL RULES RELATING TO DEDUCTIONS AND
WITHHOLDING FROM PAY OF SECTION 203 EMPLOYEES

"Sec. 304. In the case of any Pension System participant who is described in Section 203 and so designated by the Director, there shall be deducted and withheld from the basic pay of such Pension System participant, and deposited to the credit of the Fund, the same percentage of basic pay as is specified in section 8422(a)(2)(B) of title 5, United States Code.

**SPECIAL RULES RELATING TO THE ENTITLEMENT
OF SECTION 203 EMPLOYEES TO ANNUITY**

Sec. 305. (a) Any Pension System participant who is described in section 203 and so designated by the Director at any time, and who retires voluntarily or mandatorily under section 102(c) of the National Security Act of 1947 (6 Stat 498; 50 U.S.C. 403(c)) or section 233 or 235 of this Act under conditions authorizing an immediate annuity for participants in the Central Intelligence Agency Retirement and Disability System shall be entitled to an immediate annuity computed under subsection (d) of section 8415 of title 5, United States Code.

"(b) A Pension System participant who is entitled to an immediate annuity under subsection (a) shall be entitled to received an annuity supplement while under 62 years of age. The annuity supplement shall be based on the total creditable service of the participant and shall be computed and increased in accordance with subsections (b) and (c) of section 8421 of title 5, United States Code.

"(c)(1) Any Pension System participant described in section 203 may be retired under the conditions specified in sections 233 and 235(a) and shall be retired under the conditions specified in section 235(b). Each Pension System participant so retired shall receive benefits under this title.

"(2) For the purpose of this subsection-

"(A) the term "participant", as used in the sections referred to in paragraph (1), means a Pension System participant described in section 203, and

"(B) the term "system" as used in section 233, means the Central Intelligence Agency Pension System.

"(d) Any Pension System participant described in section 203 who is separated under the conditions specified in section 234(a) shall be entitled to a deferred annuity under section 8413 of title 5, United States Code, unless the Director determines that the separation was based in whole or in part on disloyalty to the United States.

"FUNDING

"Sec. 306. (a) All payments under subchapters II, IV, V and VI of chapter 84 of title 5, United States Code, based on the service of Pension System participants, shall be paid by the Director from the Fund.

"(b)(1) All sums required to finance the payments referred to in subsection (a) shall be credited to the fund.

"(2) The sums referred to in paragraph 1 are-

"(A) amounts which are determined by the Director to be necessary to defray the normal cost of the benefits payable under this title to Pension System participants,

"(B) the sums which are transferred to the Fund by the Secretary of the Treasury to amortize over 30 years the supplemental liability of the System which is attributed to Pension System participants computed at the end of each fiscal year beginning after September 30, 1987, and

"(C) the sums which are transferred by the Secretary of the Treasury to the Fund out of funds appropriated to the Department of Defense for the purpose of paying the costs incurred during any year which relate to the creditable military service of Pension System participants.

"(c) At least every 5 years, the Secretary of the Treasury shall prepare periodic valuations of the Central Intelligence Agency Pension system and shall advise the Director of (1) the normal cost of the System, (2) the supplemental liability of the System, and (3) the amounts necessary to finance the costs of the System.

"THRIFT SAVINGS PLAN

Sec. 307. (a) The Director, in consultation with the Executive Director of the Federal Retirement Thrift Investment Board, may-

"(1) maintain exclusive records relating to Pension System participants' elections, contributions and accounts under the Thrift Savings Plan provided in subchapter III of chapter 84 of title 5, United States Code, and

"(2) provide for investments under the Thrift Savings Plan to be made and accounted for by such Executive Director in aggregate amounts for the Central Intelligence Agency Pension System.

"(b) The Directory may make the necessary allocations of earnings, losses, and charges to individual accounts of Pension System participants under the Thrift Savings Plan.

"(c) The Executive Director of the Federal Retirement Thrift Investment Board may not exercise authority under subchapter III or VII of chapter 84 of title 5, United States Code in the case of the Central Intelligence Agency Pension System to the extent that the Director exercises authority provided in subsections (a) and (b).

"GENERAL AND ADMINISTRATIVE PROVISIONS

Sec. 308. (a) The Director shall administer the Central Intelligence Agency Pension System, except for matters (other than matters to which section 307 of this Act applies) relating to the Thrift Savings Plan provided in subchapters III and VII of chapter 84, title 5, United States Code. The Director shall, with respect to the Central Intelligence Agency Pension System, perform the functions and duties and exercise the authorities vested in the Office of Personnel Management or the Director of such Office by such such chapter 84, and may issue regulations for such purposes.

"(b) Section 201(c) shall apply to determinations of the Director under the Central Intelligence Agency Pension System which, if made by the Office of Personnel Management under chapter 84 of title 5, United States Code, or the Director of such Office, would be appealable to the Merit Systems Protection Board, to such Office, or to the Director of such Office.

REPORT ON EXPANSION OF COVERAGE OF THE
CENTRAL INTELLIGENCE AGENCY RETIREMENT
AND DISABILITY SYSTEM

Sec. 407. (a) The Director of Central Intelligence shall determine whether it would be appropriate to expand the coverage of the Central Intelligence Agency Retirement and Disability System to include any officers and employees of the Central Intelligence Agency who are subject to the Civil Service Retirement and Disability System under subchapter III of chapter 83 of title 5, United States Code.

"(b) Not later than 1 year after the date of the enactment of this Act, the Director of Central Intelligence shall transmit to the Congress the Director's determinations under subsection (a) and any recommendations for legislation which the Director considers appropriate and relate to such determinations."